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28 MAY 1976

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MEMORANDUM FOR: Deputy Director for Administration
FROM: Acting Director of Personnel

Jack:

- 1. This will confirm my conversation with you this morning concerning reemployed annuitants.
- 2. You will recall that last summer we alerted you to pending legislation that would dramatically change the manner in which employing agencies hire reemployed annuitants. That alert is attached at Tab A.
- 3. Today I received a copy of a report released by the Senate Committee on Post Office and Civil Service. In that report I learned for the first time that the House passed this change on 21 July 1975. Moreover, at my request checked to see what the status is on the Senate's consideration of this bill. The bill has not yet been set for full vote, but indications are that the bill will pass.
- 4. When enacted, this law will cost the Agency money for each Civil Service retiree reemployed. Attached you will find a tabulation of the number of reemployed annuitants and the annuities which currently are offset from the pay of their Agency position. This is the extra amount it will cost the Agency when this bill becomes law.
- 5. I have also attached for your information the number of reemployed CIARDS annuitants, since we can expect ultimately that the same rules will apply to this group of annuitants.

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6. Please talking about annuitants whan employee relationship. tighten up on the definition employee, we foresee that so independent contractors will when this occurs, the dollar will, obviously, increase.	Consequently, as we beg on of independent contra some annuitants now carr Il have to change to emp	cy in in to ctor/ ied as loyees.
Attachments		
Distribution: Orig & 1 - Adse 1 - OLC 1 - D/Pers 1 - DD/Pers 1 - DD/Pers/SP-CP 1 - DD/Pers/SP-RA		
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31 JUL 1975

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT

Budgetary Effect on Proposed Legislation Requiring Payment to Treasury for Amount

of Annuity of Rehired Employees

1. The following information is submitted in response to your request as to the budgetary effect on the Agency if HR 3650 passed by the House and sent to the Senate eventually becomes law. The proposed legislation states: "An amount equal to the annuity allocable to the period of actual employment shall be deducted from his pay, except for lumpsum leave payment purposes under section 5551 of this title. The amounts so deducted shall be deposited in the Treasury of the United States to the credit of the Fund."



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